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TO: Marcia Mittnacht, Director of Special Education Planning & Policy Planning
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FROM: Therese Murphy-Miller, DOE/DMR Project Manager
Department of mental Retardation

DATE: August 23, 2006

RE: DOE/DMR Community/Residential Education Project
FY06 End of Year Report

As referenced in the Department of Education (DOE) and Department of Mental Retardation (DMR) Interagency Agreement, the following report provides a summary of the DOE/DMR Community/Residential Education Project, including enrollments numbers, expenditures, savings generated by the Project and potential policy implications related to the FY06 data. Historical data information is also provided to allow for a broader review and analysis of the DOE/DMR Project activities since the formal operations of this Program starting in FY97.

The goal of the Community Residential/Education Project (the "Project") is to facilitate effective transitions from school life to more independent life within the community for students receiving publicly funded special education services who also meet the DMR eligibility criteria for services. This goal can be accomplished by supporting less restrictive, more cost effective residential options, special education services and community based supports.

FY06 PROJECT DATA ACTIVITY

In FY06 the total project allocation was increased to \$8 million. The increased funds allow the Project to support more participants in the Project. Following, is the breakdown of the Project participant activity for FY06. Please note that each of these activity counts is independent of the other activities listed.

Number of new students prevented from a initial special education school placement	48
Number of new students who returned from a residential special education school placement	1
Number of students who turned 22 (aged out of Project) 9- Prevention 2- Res. Return	11
Number of students who terminated from the Project to enter a residential school setting	14
Number of students who terminated from the Project for other reasons: 4-moved, 2- moved to community placements, 1- other state agency, 1- graduated from school, 1- Mass Hospital School	9
Number of pending applicants who withdrew to enter a residential school placement	7
Number of applications submitted during FY06	118
Number of applications pending as of 6/30/06	178
Number of school districts supporting DOE/DMR participants	146

FY06 DOE/DMR TOTAL PARTICIPANT DATA SUMMARY

During fiscal year 06 there have been a total of 334 students participating in the Project. Of that number 16 have returned home from residential education placements, the remaining 318 have utilized the Project to obtain a diverse array of supports as an alternative to an initial residential special education school placement.

The following tables represent the total summary of all Project participants in FY06. This data is inclusive of all participants in FY06.

FY06 totals

Number of students in the Project	334
Number of participants prevented from initial residential special education school placement	318
Number of participants who returned from a residential special education school placement	16

Participants who entered the Project as an alternative to initial residential school placement

Number of students under the age of 12	70
Number of participants between the ages of 12 and 16	126
Number of participants over the age of 16	138

Average support cost (based on total FY06 participants with an annual allocation

Average cost per student who received supports as an alternative to initial residential school placement (n= 246)	\$25,999
Average cost per student who returned home from a residential school placement based on actual support cost (n= 13)	\$34,756
Average DOE residential cost per student (per DOE fiscal unit)	\$52,883

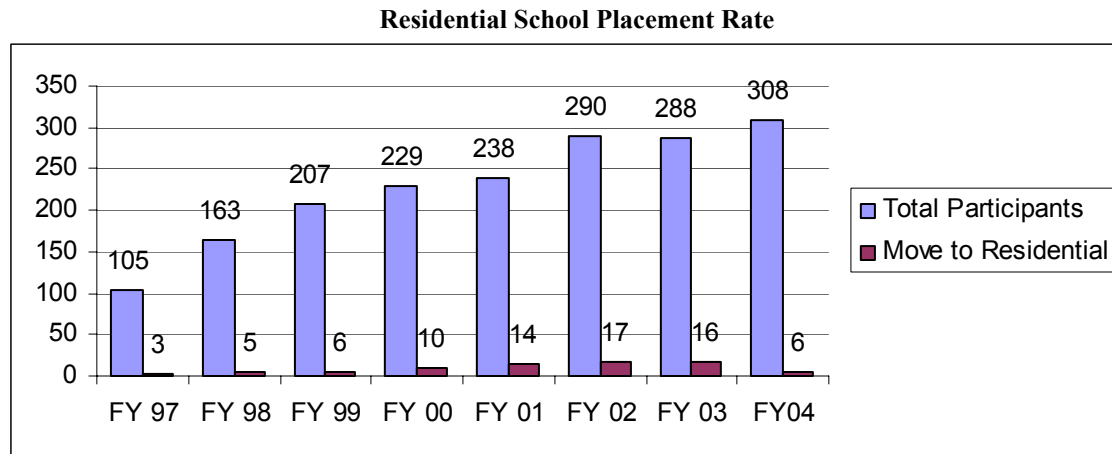
TYPES OF COMMUNITY BASED SUPPORTS UTILIZED

As indicated in previous years, the support services purchased to maintain community-based alternatives to residential placements, meet a wide range of needs. The following represents a sampling of supports and services provided in FY06:

- ❖ Behavior training and consultation
- ❖ Adaptive therapeutic equipment (recreational/sensory apparatus)
- ❖ Educational supplies (computer, teaching materials, consultation, etc)
- ❖ Emergency/crisis support
- ❖ Environmental modifications (home, Vehicle)
- ❖ Paid support staff (case manager, respite, skills trainer, home aid)
- ❖ Recreational fees/membership
- ❖ Social Skills training
- ❖ ABA training
- ❖ Participation in inclusive recreational activities
- ❖ Specialized therapeutic activities (hippo therapy, hydrotherapy, music therapy, art therapy)
- ❖ Professional consultation (Speech, communication OT)
- ❖ Cash stipends for purchase of goods and services
- ❖ Parent training, capacity building

In FY06, the Project allocation along with the attrition of some Project participants, allowed 49 new participants to enter the Project. While the Project is able to successfully maintain the majority of the total student participants, 13 students who received Project supports withdrew from the Project to enter a residential educational school placement. Of these 13 individuals, the average age is 16 years and the average length of time receiving Project supports is 4.6 years. There continues to be a yearly increase of Project participants who are identified as requiring an intensive level of supports across all settings of their home, school, and community. The Project placement rate to residential schools is 4% of total FY06 participants.

The ensuing graph shows the yearly withdrawal rate of project participants who have withdrawn from the Project for a residential special education placement. As you will note, the residential school placement rate for the Project remains consistently low.



The yearly placement rate to a residential school ranges from 3% to 6% of the total participants in that fiscal year. To date this amounts to a total residential school placement rate of 4% for the Project. As previously noted, Project participants require an intensive level of supports across all settings. It is anticipated that for some children and their families, for differing reasons, a residential school placement becomes necessary.

Following is a listing of reasons why families in fiscal year 06 chose to leave the Project for a residential school placement despite intensive in-home and community supports.

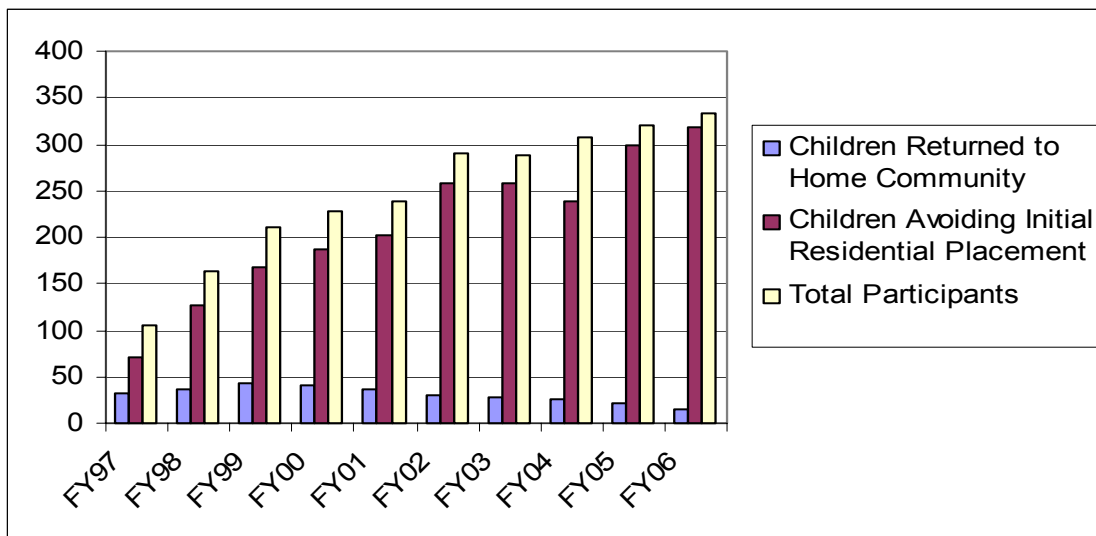
- ❖ Expulsion from day school placement due to escalating aggression towards peers and teachers (2)
- ❖ Psychiatric hospitalization as a result of unsafe behaviors to self, peers and family (2)
- ❖ Requiring 24/7 structure across all settings (home, school, community) due to increased aggression, unsafe behaviors and lack of educational progress (7)
- ❖ Single parent unable to provide needed level of support to safely maintain child in the home.
- ❖ Increase of unsafe and aggressive behaviors towards younger siblings in the home and lack of educational progress in their school program.

At the conclusion of FY06, 312 students remained successfully supported in their home and community or transitioned into adult support services. Based on the FY06 participant total of 334 students, the retention rate for the Project in FY06 is 96%.

CUMMULATIVE DATA INFORMATION

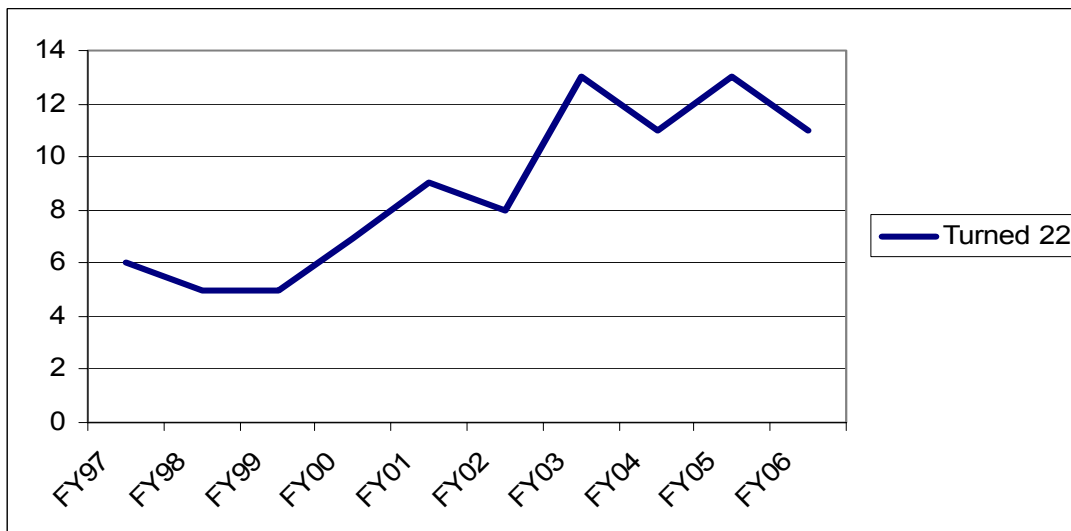
The annual Project data tracks a variety of information re fiscal year activities and outcomes such as participant totals, Turning 22, demographics and fiscal application rates. This array of data information is helpful in showing the broader picture of the Project's continued success.

DOE/DMR Participant Totals



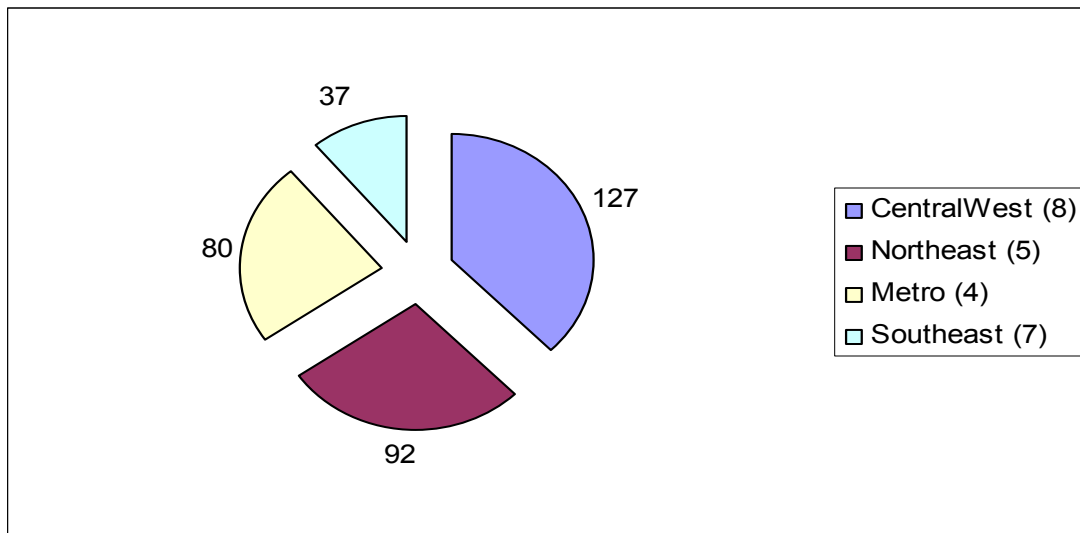
As the above graph shows, the request for prevention of a residential school placement is much higher than of those students who return home from a residential school placement. In each fiscal year, there are a few new participants who return home from a residential school placement and receive Project supports. However the participant rate for this group continues to remain low. It should also be noted that many of the earlier residential return participants have since turned 22 and aged out of the Project. To date, there are two residential return students who will be entering the Project starting FY07. Another indicator of this graph is that the high demand for preventative supports is indicative of families desire to support their child in their home and community by accessing an individualized plan of supports and resources rather than seek a residential educational school placement for their child.

The following Turning 22 rate for Project participants is illustrated to show the yearly number of participants who Turn 22 and have moved into the adult support system.



Given the age span for DOE/DMR participants (6-22), it is expected that the number of participants who turn 22 and age out of the Project will vary from fiscal year to fiscal year. Since this is a statewide program, the distribution of participant's spans across all areas of the State.

This Pie chart shows, of the 4 DMR regions across the state, the distribution of Project participants. It should be noted that the Central/West Region is the merging of two regions, thus the higher percentage of participants. Statewide there are a total 24 area offices. The number of area offices within each region is noted in parentheses next to the regional name. Each Area Office has at least one if not several participants.



FISCAL OUTCOMES

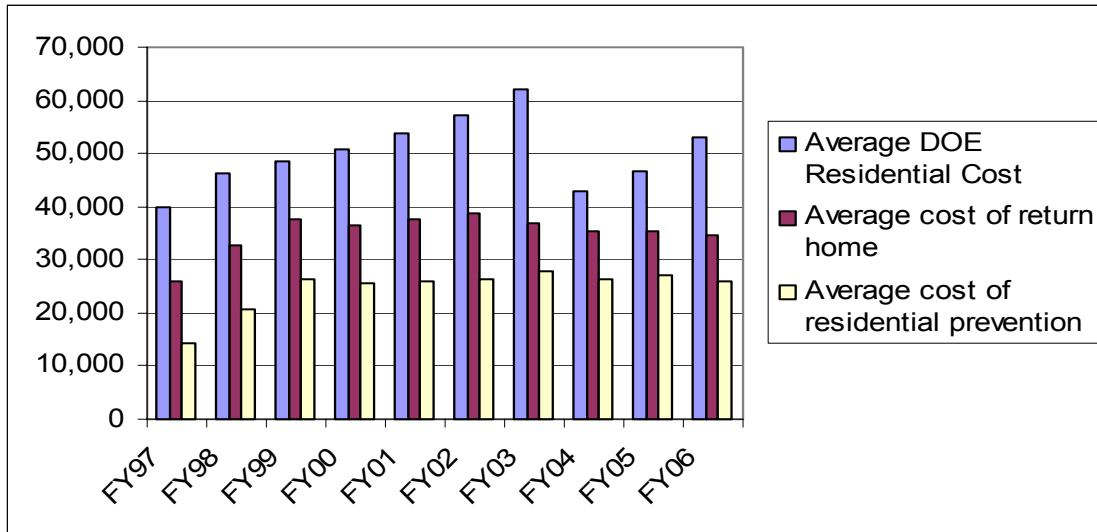
The FY 06 educational services foundation cost is \$31,616. The DOE/DMR reimbursement rate to school districts is 75% of the student's special education services beyond the foundation cost (\$31,616). Per DOE, the average residential cost in FY06 for students in residential placement is \$102,127 (n=1419). Based on the residential school costs beyond the \$31,616 foundation, the average DOE 75% reimbursement to the school districts is \$52,883. The average school district cost in FY06 is \$49,244 this amounts to a 52%-48% cost share for DOE and the school district.

Of the DOE/DMR students seeking flexible supports as an alternative to initial residential school placement, the average per participant cost for these supports is \$25,999 (based on annual allocation n= 246). The median reimbursement cost that DOE paid for a residential school placement in FY06 is \$52,883. Thereby the DOE/DMR expenditures indicate an approximate 51% reduction in supporting these students in their home community versus the average cost if these individuals had chosen residential educational care options. For DOE this cost reduction results in approximate savings of \$6,613,464 for FY06.

For those students in FY06 requiring intensive support services when they return home from a residential school placement and receive cost effective flexible family supports in their home communities, the average cost is \$34,756 (based on annual allocation n= 13). Had these students remained in their residential school placement, DOE would have paid an average of \$52,883 per student in FY06. This is a 34% reduction in cost resulting in average savings to DOE of \$235,651.

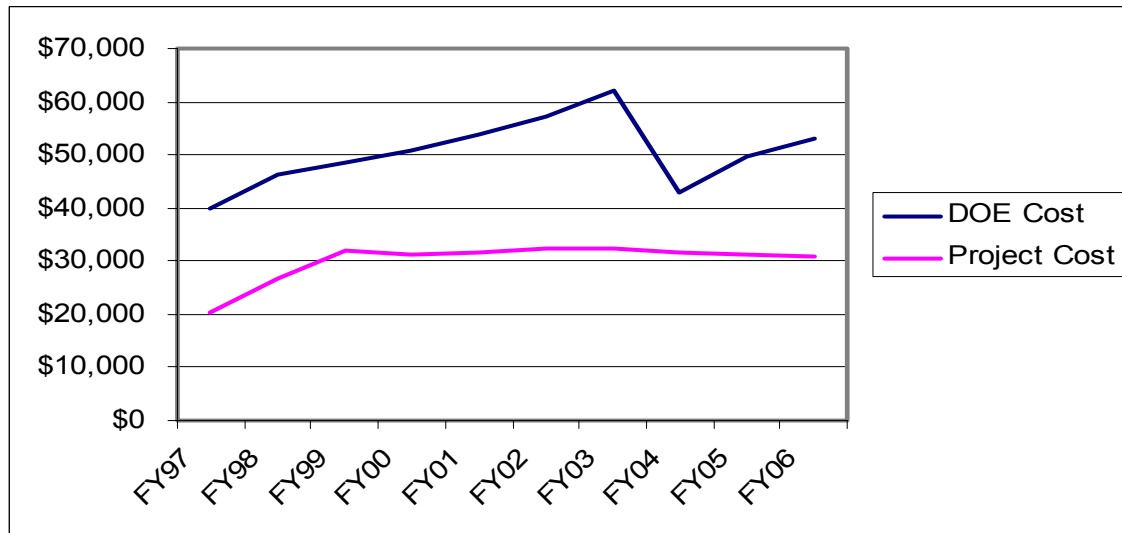
The ensuing charts show the fiscal outcomes of the DOE/DMR Project. These successive charts clearly show the Project's cost effectiveness, ability to moderate yearly participant costs, as well as provide savings to the state.

Residential Cost Differential



*As of FY04 and forward, the DOE residential costs are reflective of the new reimbursement structure as opposed to the previous fiscal years that showed the 50%-50% cost share with school districts.

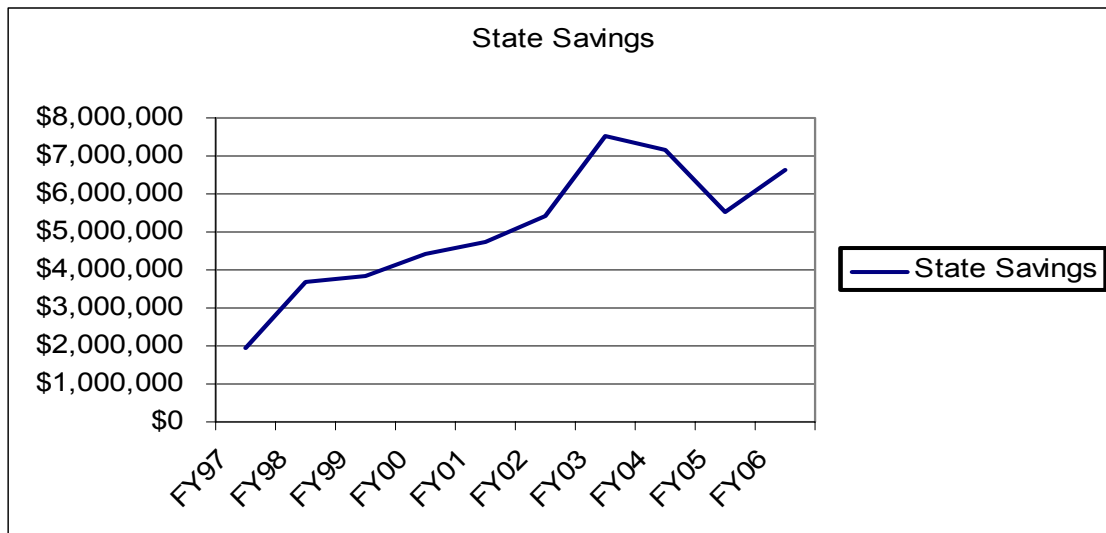
DOE Residential Cost and DOE/DMR Home Community Cost



*Project costs are the combined average cost of both residential return participants and residential prevention participants (\$32,775). The 04 DOE cost is an estimated reimbursement cost.

Based on the average DOE student cost and the lower, more effective home and community support cost for Project participants, the yearly savings to the state is reflected in this table.

Total State Savings

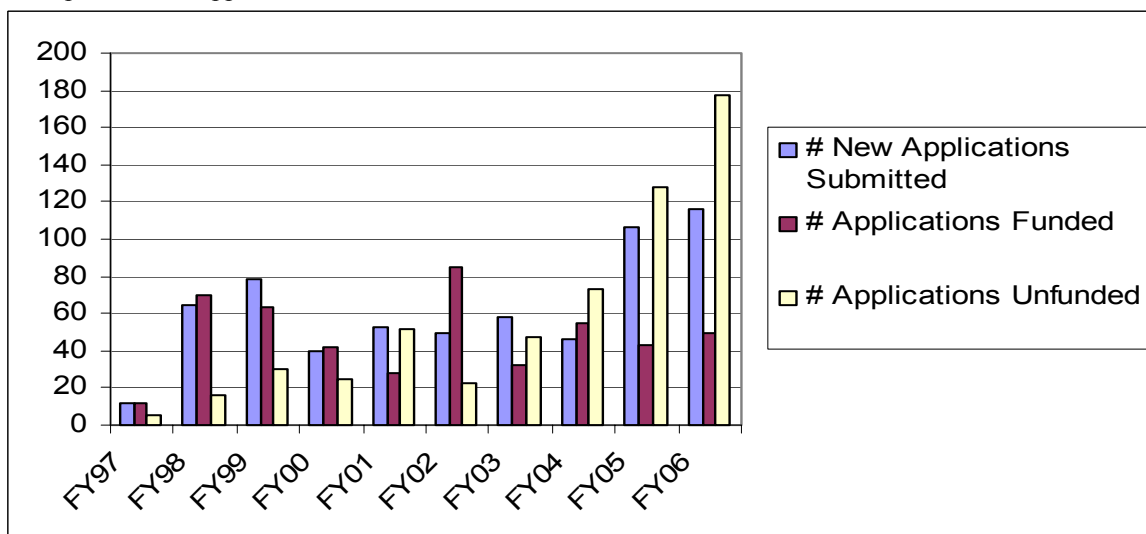


*The 04 savings cost was based on the DOE estimated reimbursement cost and therefore it is not an accurate reflection in comparison to other fiscal years. The combined savings of residential return home and residential prevention participants in FY06 totaled \$6,613,464.

PROJECT CAPACITY

The number of submitted applications for Project participation continues to exceed its available funding. In FY06, 49 new students were added to the Project. The success of the Project and the high demand for participation is a clear indicator that students and their families benefit and want the opportunity to be meaningfully included in their home, community and schools. As of June 30, there are 178 preventive applications waiting for funding availability. In FY06, the average wait time for funding a preventive application is 1 year and 6 months. Without sufficient funding to fully support the application demands, the alternative for families is to pursue an out of home placement. During the course of FY06, 7 applicants withdrew their application and moved to a residential school placement.

The following chart shows the number of applications submitted and funded for DOE/DMR Project Participation. The application rate for FY06 shows a 10% increase from FY05



At the start of FY06 there were 123 pending applications that rolled over from FY04 (24) and FY05 (99). During FY06 an additional 115 applications were submitted. There were 7 waiting applicants that withdrew their application prior to funding. At the end of FY06, there are 75 unfunded applications remaining from FY05. There are 178 applications pending for the start of FY07.

During the course of the fiscal year 06, unplanned savings that occurred from participant allocations for varying reasons such as : cost changes, change in support needs, services or resource gaps, etc. were returned to the Project to fund additional pending applications, support current participants in need of additional funds or provide limited interim supports to waiting applicants.

ADDITIONAL COMMENTS RELATED TO THE PROJECT AND POLICY CONSIDERATIONS

1. The consumer satisfaction and positive comments from families attest to a highly successful Project and to the philosophy that forms the basis of these services in that families need to be integrally involved in choosing the services they need to successfully support their child in his or her school, home and community. Families know best their strengths, competencies, capacities, and needs of their child. They are in the best position to know what will help them support the needs of their child. The positive outcomes has had on families has been acknowledged in routine and non-routine fashion. Some examples of family comments are:

“Community support is working. As parents, we are able to select safe activities for our son and match him with quality people.”\

“... The DOE/DMR prevention has made a huge difference in my family’s life. Our son’s communication and social skills have grown steadily access to high level of support and frequent opportunities to practice his skills in community settings. It is a joy to see him exercise his ability to wait his turn in a shop and to ask the clerk himself for what he needs. All of the family relationships have improved now that our stress has been relieved by the wraparound supports offered by this program, and we can truly enjoy doing things together.”

“James has many sensory, communication and behaviors that have been extremely difficult to manage. He was placed in a private day school six years ago when the local school could not safely manage his behaviors. Our experience with the day school was not better as they were recommending medications and routinely using restraints. Life was not going well for our family. James was approved for the DOE/DMR 2004..... The changes that have occurred have been miraculous. We found a better suited school program and have not been restrained since 2005. His communication has increased. With the use of DOE/DMR funds, he now has a voice output device that allows him to respond. This has and continues to be life altering....with assistance, James is attending local sports events, horseback riding and participating in activities in our community. James life is better and his future is brighter thanks to the assistance of this Project.”

“The DOE/DMR program has made it possible for our son to remain home. Before the program we had riot conditions everyday after school. I use the word riot conditions because that really describes how bad things were before the program. We thank everyone at DOE/DMR that has helped us over the last two years for adding so much to our lives.”

“Our son has had the benefit of the DOE/DMR for a number of years.Through the DOE/DMR, he has been able to explore recreational and social opportunities; he has been able to grow as a person. The DOE/DMR has made it possible for my son to explore and discover a vocation which he truly enjoys and gives him a meaningful role in the community. This new role has “snowballed” and resulted in newspaper and trade articles on the barriers he has faced, the wonderful achievements he has seen and the voice he now has through the art of pottery. Thank you for having faith that this is a worthwhile program. It has given my son the opportunity to experience a great quality of life, and as he ages out of the DOE/DMR, it becomes a springboard for opportunities and gives him and his TEAM life goals for the years to come.”

“Having the DOE/DMR has greatly improved the quality of my son’s life and ours as well. My son is gradually gaining life skills, such as swimming, shopping, recreational, social skills and more. He wouldn’t be functioning nearly as well without this grant – and neither would we.”

2. The continued success of the Project and the intensive support that it offers families as well as improved collaboration with local school districts, the demand for participation continues to increase beyond the available funding resources of the Project. The Project supports are most effective when they are provided in a timely manner. The longer an applicant waits for available funding; the Project’s ability to effectively support the individual in his or her home and community is minimized. In FY06 there were 7 pending applicants who withdrew for a residential educational placement. Based on the criteria for Project participation, Project applicants require an intensive level of supports across all settings. As one can appreciate, the stress level for these families is enormous. Therefore, it is important that there be sufficient resources readily available in order to effectively support Project applications within a reasonable time frame.
3. In FY06, a significant amount of time was spent working with our contracts office to define mechanisms that could be implemented to enhance the existing cost management activities of the Project that will help to capture and minimize year end savings while still maintaining the integrity and flexibility of the Project. For FY07, DMR will implement stricter contract management guidelines for those providers who hold significant amounts of DOE/DMR participant allocations. In doing so, along with the monitoring review process, it is anticipated that the Project will be able to capture allocation savings earlier in the fiscal year for reallocation to support pending applicants.
4. In FY06, DMR formed a workgroup to take look at the administrative procedures and processes of the DOE/DMR since its inception in FY93. It was the task of the workgroup to look at the beginnings of the Project to where it is today. The workgroup spent significant time identifying, discussing the strengths and gaps of the Project. Through those discussions, proposed recommendations were drafted that could be reasonably implemented with the goals to minimize the growing application waitlist as well as augment the administrative processes currently in place. The workgroup was fortunate to have the input and participation on DOE as the recommendations was formulated. The workgroup will continue to play a key role in the creation of a DOE/DMR manual that will provide clarity and consistency to the updated implementation guidelines of the DOE/DMR. This manual will be most helpful for Area staff and providers in their work with current and new DOE/DMR families.
5. The timing of the workgroup’s proposed recommendations coincided with the discussion and planning for the new DOE/DMR ISA for FY07-08. As DMR moves forward in FY07 with its new ISA and the proposed changes to the implementation of the DOE/DMR, it is important that there be ongoing and open dialogue with DMR Area offices, families and school personnel. To this end, DMR will provide informational forums across the state during the course of FY07. These sessions will be useful in insuring that the Project continues to meet its intended outcome of providing greater flexibility in providing individualized needs of support for those students who require intensive and coordinated special education services, home and community based support.